

Audit of Contract Management Practices in the Common Administrative Services Directorate (CASD)

AUDIT REPORT

Prepared for

NSERC (Natural Sciences and Engineering Research
Council) and SSHRC (Social Science and Humanities
Research Council)

Prepared by

Consulting and Audit Canada
Project No.: 310-2125-01

May 2004



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Table of Contents

	<u>Page</u>
EXECUTIVE SUMMARY	1
OBJECTIVE	3
SCOPE.....	4
APPROACH	5
DETAILED OBSERVATIONS.....	6
CONTRACTING DEFICIENCIES - NSERC/SSHRC	6
INFORMATION GATHERING AND REPORTING	10
DELEGATED AUTHORITY TO INITIATE THE CONTRACTING PROCESS (SECTION 32 FAA).....	12
CONTRACTOR PERFORMANCE EVALUATION	12
RESOURCING IN THE MATERIAL AND CONTRACT MANAGEMENT SECTION OF CASD.....	13
WORK SERVICE STANDARDS	15
APPENDIX A - AUDIT CRITERIA.....	16
APPENDIX B - AUDIT RECOMMENDATIONS.....	18

Executive Summary

This report represents the results of our audit of contract management practices and compliance in the Material and Contract Management section of the Common Administrative Services Directorate (CASD).

Our audit covered a review of the management control framework in place to ensure compliance with *Treasury Board's Contracting Policy* and *Government Contracts Regulations* as well as the Council's own policies when applicable, and to ensure that departmental procedures are effective, efficient, and provide value for money and ensure financial integrity in accordance with our Memorandum of Agreement.

In summary, we found deficiencies in complying with contracting policies as well as areas where improvements are warranted. The first observation below is the most significant in that it addresses a number of ongoing contracting compliance deficiencies. These areas are summarized below and detailed in the attached body of the report:

- A review of contracts for NSERC and SSHRC indicated a number of recurring significant compliance deficiencies.
- There is a need for a better system to gather information on contracting activity for analytical, managerial and reporting purposes.
- The delegated authority to initiate the contracting process should be communicated in a clearer manner.
- Contractor Performance Evaluations should be completed and entered in a data base so the resulting information will be available to appropriate parties as required.
- Human Resourcing in the Material and Contract Management section of CASD requires review to ensure proper skill sets are in place for a changing and more demanding environment.
- The Material and Contract Management section requires work standards to have a benchmark for internal evaluation and to facilitate an understanding with clients on what standard of service can be expected.

Our observations describe necessary processes that are not in place and repetitive deficiencies or omissions in the contracting process. It was not thought helpful to management in developing a comprehensive response to our observations to include isolated omissions or deficiencies in our report. Consequently, all observations identify significant problem areas with a reasonable risk assignment. The observations are interrelated and, accordingly, should be appropriately responded to as a whole, making any specific priority ranking of reduced relevance.

We believe that once the additional processes are put in place and described deficiencies and omissions in processing contracts are corrected, the Material and Contract Management section will: be better placed to provide services to client groups; have a higher level of compliance with Central Agency and Council requirements; operate on a more professional and proactive basis; and, be better positioned to withstand scrutiny in a contracting environment that is certain to become more demanding.

It is recognized that management of both the Material and Contract Management section and CASD as a whole is anxious to address the issues detailed in this report and has already taken action in some cases based on discussion and an exchange of information.

HALIFAX, NOVA SCOTIA

Objective

The main purpose of this audit is to provide senior management of the Natural Sciences and Engineering Research Council of Canada (NSERC) and the Social Science and Humanities Research Council (SSHRC) with an independent assessment of the following three objectives:

1. To assess the extent of compliance with *Treasury Board's Contracting Policy* and the *Government Contracts Regulations*, as well as the Council's own policies when applicable.
2. To assess whether departmental procedures are effective, efficient, provide value for money and ensure financial integrity.
3. To determine if an appropriate management control framework exists that: 1) establishes, monitors and communicates contracting process and procedures, 2) identifies and reinforces values and ethics to be followed by managers with delegated authority, 3) ensures reliable information is available for decision-making and reporting, 4) establishes and communicates roles and responsibilities for all parties involved in contracting processes, and 5) provides managers with appropriate training and management tools.

Also, the internal client satisfaction with the contracting services provided by the Material and Contract Management section will be determined and considered in the audit evaluation and reporting.

Scope

Audit coverage included the examination of completed contracts for goods and services for all methods and phases entered into or amended, for the period January 1 to December 31, 2003. The on-site audit examination took place during the period January 19 to February 27, 2004. A minimum of 20 contracts were examined for each NSERC and SSHRC, but contracts for goods or services under \$5,000 were excluded from the sample selection. A contract file review and interviews with managers, administrative staff, financial staff, and Material and Contract Management staff were conducted.

The audit analyzed a sample of three different types of contracts:

- greater than \$5,000, but less than \$25,000 in value;
- competitive contracts of more than \$25,000 in value; and,
- non-competitive contracts of more than \$25,000 in value.

The contracts for examination were selected on-site by the auditor. A judgement sample was made from contracts initiated by both NSERC and SSHRC, and processed by CASD, to include the above criteria and also to cover contracts initiated by different responsibly centres.

As the findings for both NSERC and SSHRC are identical, one audit report is being issued as discussed with the audit contract representative for the two Councils. This common outcome is reasonable as all the contracts were signed and processed by CASD, which provides common services to both Councils.

As part of the determination and evaluation of the management control framework, departmental procedures, compliance, and service delivery, it was necessary to interview a number of employees in CASD and the two Councils. In summary, the following were interviewed:

- Director, Administration, CASD;
- Project Development Officer, Manager, Material and Contract Management section of CASD;
- other employees within the Material and Contract Management section of CASD; and,
- ten employees within NSERC and SSHRC who use the services of the Material and Contract Management section of CASD to determine their satisfaction with the service provided and to solicit their ideas on changes that should be made.

Approach

The approach for this audit included the following steps:

1. Obtaining a listing of all contracts let for the period January 1 to December 31, 2003 and requesting the location of all related files.
2. Examination of the organization and tasks with the Material and Contract Management Section.
3. Performing a preliminary review comparing contract files to the list, to identify missing files and develop an appreciation of the nature of contracting activity and related operational requirements.
4. Reviewing contract files against the audit criteria (Appendix A).
5. Specific examination of procedures and processes including: required standard contract provisions; Contractor Evaluations; Work Standards; reporting contractor income; inventory of professionals/consultants; reporting via the Purchase Activity Report; and, Aboriginal Business Procurement Policy Performance Objectives.
6. Preparing an analysis of contracts tested for audit criteria (Appendix A) based on documentation in contract files.
7. Obtaining information from users of the services of the Material and Contract Management section within NSERC to identify and document dissatisfactions and recommendations for service improvement.
8. Examining information and direction available to guide operational managers through the contracting process. Interviews with operational management and officers within both the Material and Contract Management section and CASD.
9. Meeting with operational management to clarify observations or address gaps in information documented on file and make enquiries in order to understand the context and reasons for contracting practices and awards, as required.
10. Drafting a report for senior management within NSERC and SSHRC providing an assessment of contracting practices for the period under review and recommendations, if any, regarding processes that need to be put in place, address issues of compliance or promote access or greater fairness in contracting.

Detailed Observations

Contracting Deficiencies – NSERC/SSHRC

As part of the audit, 20 contracts from each of NSERC and SSHRC were examined against the criteria detailed in Appendix A to this report. All contracts examined were for amounts over \$5,000 and some (both competitive and non-competitive) for over \$25,000 as set out in the audit Terms of Reference. While a separate group of 20 contracts was examined for each of NSERC and SSHRC, the recurring deficiencies were determined to be the same for both Councils.

The recurring deficiencies identified from the examination of contracts for both Councils are as follows:

- The Contract documentation, Appendix D, Contract Requirements is inadequate:

Appendix “D” of the contract stipulates the requirements, inclusive of the statement of work, that the contractor is legally bound to perform. This section of the contract requires the contractor to be accountable for performance.

Section 16.1.3 of the *Treasury Board, Contracting Policy* details the elements that may be included in a contract statement of work and they include:

- a background statement outlining the situation leading up to the requirement;
- a clear statement describing the objective of the task and the work to be achieved;
- an accurate description of the scope of the work, including its range, extent and bounds;
- the manner in which the output of the contract, such as work documents, progress reports, etc., should be presented or submitted; and,
- a time schedule for the completion of each stage of the work and for the entire work.

The finding from examination of 40 contract documents was that in 55% of the cases examined the requirements section was brief and very general. Also, in many cases, there were no technical specifications or references to a document with technical specifications, when this would have been appropriate. These deficiencies could lead to difficulties in establishing contractor responsibility in the event of a dispute.

- Non-Competitive Contracting over \$25,000 (without necessary justification):

Section 6 of the *Government Contracts Regulations* states that there are only three exceptions where a competitive bid is not required when the amount is greater than \$25,000. These are where: the need is one of pressing emergency in which delay would be injurious to the public interest; the nature of the work is such that it would not be in the public interest to solicit bids; and, only one person is capable of performing the contract.

The finding from examination of contract documents was that, in many cases, the contracts were initially signed for an amount slightly less than \$25,000, and then through consecutive amendments (typically five or six) the contract amounts often escalated to the vicinity of \$250,000. This was particularly prevalent in the Information Systems Division for the procurement of consulting services, but also occurred in other divisions. Of the 40 contracts examined, it was found that 27.5% were over \$25,000 without a competitive process or adequate justification for lack of this process. In none of these cases was any attempt made to justify source sole contracting, when the contracting process was clearly entering into arrangements valued at well over \$25,000 as a matter of normal procedure.

Also, these contracts with amendments far exceeded the threshold of \$84,400 for contracting for services under the North American Free Trade Agreement for the two-year period January 1, 2002 to December 31, 2003. Canada has agreed that contracts for services over \$84,400 will be open for competitive bid for a specific period of time.

- Employer-Employee Relationships:

Section 4.1.9 (b) of the *Treasury Board, Contracting Policy* states that with respect to contracting for services, contracting authorities must “ensure that an employer-employee relationship will not result when contracting for the services of individuals in accordance with criteria established by the Canada Customs and Revenue Agency and pertinent court rulings.”

Section 16.3.2 of the *Treasury Board, Contracting Policy* states in part that, “A contract for services that is initially sound should not develop over a period of time into a work situation that would constitute an employer-employee relationship according either to the *Public Service Employment Act* or the common law. Therefore, there should be appropriate safeguards in contracting procedures to avoid such relationships.”

The findings from the examination of contract documents was that there were no safeguards in contracting procedures to prevent an employer-employee relationship and that it was routine for them to occur from the very start of the contracting process. This would often be characterized by retaining a specific person for as long as two years though numerous (typically five or six) contract amendments. This was often to alleviate a long-term, full-time employee shortage that was not or could not be staffed. Again, this was very prevalent in the Information Systems Division for the procurement of consulting services, but also occurred in other divisions. Overall, of the 40 contracts examined for the two Councils, 22.5% appeared to exhibit characteristics of an employer-employee relationship.

- Work Starts Before Contract Signed by Both Parties:

Work should not commence under a contract until the contract has been executed.

The finding from the examination of contract documents and files was that there were a number of cases (32.5% of the 40 contracts examined, however, in some cases this may be a matter of a few days) where the work started before the contract was executed by both parties.

- No Evidence Documented on Contract File that Best Value was Obtained:

Section 4.1.9 (c) of the *Treasury Board, Contracting Policy* states that with respect to contracting for services, contracting authorities must “ensure that the fees paid do not exceed the appropriate market rate for the service provided.”

Section 10.6.1 of the *Treasury Board, Contracting Policy* states that, “The competitive process is the normal way to establish best value and price. However, it may be set aside and price established by other means.”

Section 9.1.3 of the *Treasury Board, Contracting Policy* states in part that, “The analysis necessary to achieve best value should not be confined to the actual procurement process; it should begin in the planning and appraisal of alternatives and continue through the definition of requirements which would include assessment and award criteria, evaluation of sources, selection of contractor, preparation, negotiation, execution and award of contract, contract administration and post-contract evaluation.”

The finding from the examination of contract documents and files was that in nearly all the 40 cases examined (80% of the 40 contracts examined) there was no evidence on file to indicate how the price was established or assurance that any effort was made to obtain the best price or a price that did not exceed the appropriate market rate for the service provided. Communication with suppliers, if any, to establish price was not retained on the contract files.

This policy also requires that any communication with suppliers be fully and clearly documented in the contract file. Section 12.3.2 of the TB Contracting Policy states:

Under the *North American Free Trade Organization*, the *World Trade Organization – Agreement on Government Procurement*, and the *Agreement on Internal Trade*, Contracting authorities shall guarantee that complete documentation and records, including a signed and dated record of all communication with suppliers, are maintained to allow verification by the Canadian International Trade Tribunal that the procurement process was carried out in accordance with the agreements.

We have not seen evidence of appropriate compliance.

- Amendment Justification is not Documented:

Section 12.9.2 of the *Treasury Board, Contracting Policy* states in part that “Every effort should be made to avoid: (a) inadequate initial funding, resulting in amendments to increase the contract value; (b) inadequate pre-planning, resulting in amendments to change the design, specification or quantity involved; and, (c) improper administrative procedures, necessitating amendments to change the specifications and delivery or other requirements in order to protect the contractor or government agency involved.”

The findings from the examination of contract documents and files was that in nearly all cases where there were amendments, there was no documented justification for the adjustment in the contract file.

The foregoing represents recurring contracting deficiencies. These situations often came about because the Material and Contract Management section was not involved in the procurement process at an appropriately early point. This often evolved into situations where fully appropriate options were no longer available, with no choice but to proceed with the contract under compromised circumstances. However, contracting policy involves compliance with legal obligations, regardless of the circumstances leading to the contract.

It is recognized that a cultural change within NSERC and SSHRC in their attention to contracting process should facilitate improved contract compliance. The following five recommendations suggest more interaction between the Material and Contract Management section and NSERC and SSHRC. These should better enable the Material and Contract Management section to address their primary responsibility in proper contract management.

RECOMMENDATION:

It is recommended that:

1. a written document be formally addressed to all users of contract services setting out specific practices that have occurred in the past which require correction in the future;
2. the Material and Contract Management section increase contact with user groups to be aware of planned procurement so that appropriate contracting strategies can be better planned and that contracts can be better managed;
3. business practices including up-front consultation with, and training of, client groups be improved on a proactive basis to ensure compliance with contracting process and policy;
4. when the Material and Contract Management section is faced with an apparent unacceptable practice then this matter be communicated to the Director, Administration, in writing for managerial action; and,
5. a semi-annual report be developed on contracting deficiencies that occur and this report be submitted to the Director General, CASD, for tabling and discussion at an appropriate Management Meeting.

Information Gathering and Reporting

The Material and Contract Management section has the need to gather information on its activities for analytical, managerial and reporting purposes similar to other organizations. The current formal financial and operational systems process data for predetermined outputs, but these systems are not capable of providing the necessary information for analytical, managerial and reporting needs. To bridge this gap, the formal systems are used to produce information within their designed capabilities and then significant time is taken to manually modify and adapt this information for required needs. This is both a cumbersome and time-consuming process.

It is obvious that a process is required for data gathering and analysis within the Material and Contract Management section that is easy to implement, economical, simple to adapt to by employees, takes little time to input, and is flexible to use. One option that meets this required criteria and that can be initiated immediately with little burden on the Material and Contract Management section's resources is to develop a spreadsheet data base on Excel. This spreadsheet would have one line of data entered for each contract processed with appropriate characteristics in each column used, such as Contract number, responsibility centre, amount, contractor, date issued, date started, date completed, amendment date, amendment amount, service/goods contract, nature of arrangement, etc. It would take little time to enter this information and at anytime the data could be sorted as required. Amounts could also be quickly totalled for any grouping to provide accumulated information for analysis and reporting.

An in-house report has already been developed, although not implemented, on Microsoft Word for client information. The Material and Contract Management section has initiated a report on contracting called "Monthly Contract Report," which is intended to be put on the intranet Web site for client information with appropriate access control. The current input for this report is detailed and labour intensive with little flexibility to manipulate the output for analytical, managerial and reporting purposes. Also, at this point, an evaluation has not been completed to determine the nature of information and level of detail that client user groups would consider useful and be value-adding to their activities.

RECOMMENDATION:

It is recommended that:

6. the Material and Contract Management section implement and manage a data base on contracts processed on an Excel spreadsheet, to provide information for analytical, managerial, and reporting purposes; and,
7. the new "Monthly Contract Report" being developed be reviewed in terms of user (client) suggestions, and that consideration be given to condensing it for more economical data capture and easier client use.

Delegated Authority to Initiate the Contracting Process (Section 32 FAA)

An Internal Requisition from user groups for Material/Services, produced and communicated electronically, initiates the contracting process. This is the authorization from the person in the responsibility centre with appropriate delegated signing authority that: they have authority to make this commitment against this budget item; the necessary funds to make the resulting payment are available; and, sufficient funds have been committed to cover the subsequent payment.

There is, however, no signature (or name in most cases) on the electronic requisition, so it is not possible to see who has taken responsibility for this part of the Section 32 FAA, Commitment Authority. This authority is further compromised as these electronic requisitions are customarily completed by the Administrative Assistant of the person with the actual delegated authority.

The Material and Contract Management section is, therefore, put in the position of having to rely on unclear responsibility for the delegated commitment authority under Section 32, FAA.

RECOMMENDATION:

It is recommended that:

8. the Material and Contract Management section work with user groups to find a clear vehicle to exercise unambiguous responsibility for the delegated commitment authority under Section 32, FAA.

Contractor Performance Evaluation

Annually, the Material and Contract Management section enters into numerous contracts for NSERC and SSHRC to contract for the services of consultants.

There is, however, no process in place that ensures that the contractor performance is properly evaluated and documented to use as a basis to decide whether to use a particular supplier or to include additional contract provisions to ensure the intended performance result is achieved.

The *Treasury Board, Contracting Policy* contains a detailed approach to performance evaluation. Section 16.11.8 includes the statement, "On completion of the contract, the contracting authority should evaluate the work performed by the consultant or professional. The evaluation should be undertaken by officials competent in the particular fields involved. If judgmental comments are provided, they should be supported by complete and factual detail."

In order for Contractor performance evaluation to be an effective tool in contract management, it must address two aspects:

- an objective contract evaluation by officials competent in the particular fields involved; and,
- input of the results into a data base accessible to appropriate parties.

Neither aspect of this process has been initiated to date by the Material and Contract Management section.

RECOMMENDATION:

It is recommended, with reference to Sections 16.11.8 and 16.11.9 in the *TB, Contracting Policy* that:

9. an appropriate template be developed so that standard information can be compiled on the performance of each contractor;
10. the contractor receive a copy of this performance critique and be allowed to respond for the record; and,
11. the documented information on contractor performance be accumulated in a data base with appropriate accessibility to enable effective selection of contractors and/or contract provisions to better ensure the intended contractor performance.

Resourcing in the Material and Contract Management Section of CASD

The Material and Contract Management section currently consists of six employees (manager and five employees). The tasks of this common service section has evolved in serving NSERC and SSHRC. Based upon our review observations, we are of the opinion that it is time to re-evaluate skill sets required by this section in order to best serve the two client Councils. The contracting environment in general, and in NSERC and SSHRC, has evolved over the past few years to be very demanding from a policy compliance point of view and very complex from a contractual work requirement perspective. This increased complexity includes the following factors:

- the increased number of supplier challenges that have to be responded to with a knowledgeable debriefing;
- the need to manage more complex supplier arrangements (from RFPs to evaluations, which are currently contracted out to a significant extent);

- the need to respond to more parliamentary written questions;
- the Material and Contract Management section is now directly responsible to ensure that contractors have a security clearance and that a SRCL (security requirements checklist) is completed for contracts; and,
- the acceptance that the contracting process has to be in a position to withstand more and more intense scrutiny from within and outside the two Councils.

Interviews with internal groups that use the services of the Material and Contract Management section indicated that they were satisfied with the service, and most highly valued available advice and consultation. In fact, the areas where improved service is desired include up-front consultations to explain the viable, allowed options that are available and some general training in contracting requirements from a business practice and policy perspective that can help the user groups more effectively interact with the contracting service. They see the relationship with the Material and Contract Management section as a partnership, where user groups should be trained to a certain level, and they accept that expertise should be provided by the Material and Contract Management section.

Both the Material and Contract Management section and its clients realize that the world of contracting has both become more complex and that their actions will be subject to more stringent scrutiny in the future. Therefore, it is accepted that complex rules and constraints will have to be more closely adhered to, and it is understood that the current environment may be even more demanding in the future.

In summary, the contracting services of the Material and Contract Management section are managed in an increasingly complex environment. This is coupled with a more consultative client service being necessary to ensure continued relevance. It is timely to re-evaluate which skills sets are necessary within the Material and Contract Management section, to ensure that this section continues to be a relevant service partner for the two Councils. A thorough evaluation within a documented framework should be completed, which should lead to developing a clear understanding of the evolving environment and where the Material and Contract Management section wants to place itself on the service spectrum. In that context, hiring or reorganization strategies should be appropriately developed in order to form a coherent basis for service delivery and task assignment.

RECOMMENDATION:

It is recommended that:

12. a review be conducted of the Material and Contract Management section to develop a clear understanding of the evolving environment and skill sets necessary to provide a proactive, consultative approach to providing contracting services in this environment;
13. all new factors that add to the complexity of contracting be identified and a response developed for each in terms of how the skill set can be made available; and,
14. client service users in NSERC and SSHRC be consulted to determine what their service vision is for the Material and Contract Management section.

Work Service Standards

Work service standards are statements, quantifiable in nature, of the characteristics of services that an organization can provide to user groups.

Work service standards have not been developed for the Material and Contract Management section of the Common Administrative Services Directorate (CASD). These should be developed with input from user groups, so all parties will understand the expectations for specific services provided by the Material and Contract Management section. This will provide a basis for the Material and Contract Management section to self-monitor its performance on an ongoing basis. Also, in discussions with client groups, it was pointed out that it would facilitate dealing with contractors if time standards were established and clearly communicated for the different steps in the contracting process. These work standards would also need to take into account the timeframes imposed by trade agreements and the *TB Contracting Policy*.

RECOMMENDATION:

It is recommended that:

15. work service standards be developed for the Material and Contract Management section and these standards be adjusted as appropriate and formalized after input from user groups.

Appendix A - Audit Criteria

In examining management practices and procedures related to contracting, transactions were assessed in comparison with the following audit criteria:

- There is proper management authorization for requesting the contracting process and for subsequently signing the contract.
- Contracting contributes to achieving an objective or solving a current problem (i.e. not as a substitute for ongoing staffing requirements).
- There is a proper contract coding and filing system so that contract files can be easily retrieved and missing contract files will be quickly identified.
- There is a complete and signed copy of all contracts and amendments on file.
- A competitive process has been followed, except as permitted by *Government Contracts Regulations*, when it is not possible, practical, or cost effective to seek bids. These exceptions are:
 - the need is one of pressing emergency in which delay would be injurious to the public interest;
 - the estimated expenditure does not exceed \$25,000;
 - the nature of the work is such that it would not be in the public interest to solicit bids; or,
 - only one person or firm is capable of performing the contract.
- When appropriate, the ACAN (Advance Contract Award Notification) mechanism is properly used.
- NAFTA and WTO thresholds are not exceeded without a proper competitive process.
- When a competitive process has not been followed, reasonable steps have been taken and documented to ensure fair-market value of goods or services acquired, including the use of standing offers and solicitation of the marketplace.
- There is an inventory of acceptable consultants and professionals for areas where there is substantial repetitive use for certain types of services.
- Work does not commence before the contractual documents have been properly executed.
- The contracting process did not result in the establishment of an employer-employee relationship or the appearance of such.
- Contracts for services awarded to former public servants in receipt of a pension or a lump-sum payment reflect sound contracting practices, including fairness in selection and compensation. Such contract awards are subject to prior approval by the contracting authority to avoid the creation of the perception of favouritism to these individuals.

- Due care has been exercised to avoid conflicts of interest or to prevent contract splitting in the awarding of contracts, including obtaining from or the provision of appropriate approvals by the contracting authority.
- There was a documented contractor performance evaluation process in place.
- For contracting for services, the statement of work, or the requirements description clearly describes the work to be carried out, the objectives to be attained, and the time frame and working arrangements to safeguard against the creation of an employer-employee relationship.
- The goods or services delivered meet the terms and conditions of the contract and fees paid for temporary services are duly supported.
- Justification for contract amendments is documented and reasonable.

Appendix B - Audit Recommendations

The following is a restatement of the report recommendations repeated in the same order as in the above report:

Contracting Deficiencies – NSERC/SSHRC

It is recommended that:

1. a written document be formally addressed to all users of contract services setting out specific practices that have occurred in the past which require correction in the future;
2. the Material and Contract Management section increase contact with user groups to be aware of planned procurement so that appropriate contracting strategies can be better planned and that contracts can be better managed;
3. business practices including up-front consultation with, and training of, client groups be improved on a proactive basis to ensure compliance with contracting process and policy;
4. when the Material and Contract Management section is faced with an apparent unacceptable practice then this matter be communicated to the Director, Administration, in writing for managerial action; and,
5. a semi-annual report be developed on contracting deficiencies that occur and this report be submitted to the Director General, CASD, for tabling and discussion at an appropriate Management Meeting.

Information Gathering and Reporting

It is recommended that:

6. the Material and Contract Management section implement and manage a data base on contracts processed on an Excel spreadsheet, to provide information for analytical, managerial, and reporting purposes; and,
7. the new “Monthly Contract Report” being developed be reviewed in terms of user (client) suggestions, and that consideration be given to condensing it for more economical data capture and easier client use.

Delegated Authority to Initiate the Contracting Process (Section 32 FAA)

It is recommended that:

8. the Material and Contract Management section work with user groups to find a clear vehicle to exercise unambiguous responsibility for the delegated commitment authority under Section 32, FAA.

Contractor Performance Evaluation

It is recommended, with reference to Sections 16.11.8 and 16.11.9 in the TB, Contracting Policy that:

9. an appropriate template be developed so that standard information can be compiled on the performance of each contractor;
10. the contractor receive a copy of this performance critique and be allowed to respond for the record; and,
11. the documented information on contractor performance be accumulated in a data base with appropriate accessibility to enable effective selection of contractors and/or contract provisions to better ensure the intended contractor performance.

Resourcing in the Material and Contract Management Section of CASD

It is recommended that:

12. a review be conducted of the Material and Contract Management section to develop a clear understanding of the evolving environment and skill sets necessary to provide a proactive, consultative approach to providing contracting services in this environment;
13. all new factors that add to the complexity of contracting be identified and a response developed for each in terms of how the skill set can be made available; and,
14. client service users in NSERC and SSHRC be consulted to determine what their service vision is for the Material and Contract Management section.

Work Service Standards

It is recommended that:

15. work service standards be developed for the Material and Contract Management section and these standards be adjusted as appropriate and formalized after input from user groups.